

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 62** SLS 24RS 6

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|--------------------------------|
| Date: May 21, 2024 | 2:19 PM | Author: FESI |
| Dept./Agy.: Department of Health/Office of Public Health | | Analyst: Garrett Ordner |
| Subject: Seafood Safety | | |

PUBLIC HEALTH

RE1 INCREASE GF EX See Note

Page 1 of 2

Provides relative to seafood safety. (gov sig)

Proposed law provides that monies deposited into the Imported Seafood Safety Fund shall be appropriated to the Department of Recreation and Tourism (DCRT) rather than the Louisiana Department of Health (LDH). Proposed law provides that the imported seafood safety fee shall be collected from processors and distributors of imported seafood by DCRT. Proposed law provides that DCRT shall contract with the Louisiana Department of Agriculture and Forestry (LDAF) to sample, analyze, and test seafood as required by the proposed law. Proposed law alters the current commercial seafood permit by separating it into domestic processor, imported processor, and distributor permits. Proposed law provides that DCRT may test seafood processed or sold by an imported commercial seafood processor or distributor to ensure the chemical concentrations do not exceed the minimum standards established by the United States Food and Drug Administration (FDA). Proposed law provides requirements for these permits with respect to testing, labeling, and penalties. Effective upon governor's signature.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 5 -YEAR TOTAL |
|----------------|------------------|------------------|------------------|------------------|------------------|---------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 5 -YEAR TOTAL |
|----------------|------------------|------------------|------------------|------------------|------------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

EXPENDITURE EXPLANATION

Proposed law will result in increased expenditures to multiple agencies to sample, test, analyze, and enforce labeling requirements on raw imported seafood products. The FY 25 costs for the Department of Culture, Recreation, and Tourism (DCRT) are expected to total \$228,095. Costs to the Louisiana Department of Agriculture and Forestry (LDAF) are indeterminable and will depend upon the number of samples tested. These costs will be partially offset by a decrease in costs to the Louisiana Department of Health (LDH) of approximately \$4,275 per year due to the transfer of testing requirements from LDH to DCRT and LDAF.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law may increase revenues to the Imported Seafood Safety Fund through the collection of fines of up to \$1,000 from imported commercial seafood processors and distributors found to be processing or distributing imported seafood whose chemical concentrations exceed limits established by the United States Food and Drug Administration.

Proposed law may also increase revenues to the Imported Seafood Safety Fund through the collection of fines from domestic commercial seafood processors and distributors found to be distributing imported seafood packed or labeled as domestic seafood. These fines are not more than:

- \$1,000 for the first offense
- \$2,500 for the second offense
- \$5,000 for the third offense

For informational purposes, LDH reports that it currently does not have access to the Imported Seafood Safety Fund and has therefore been unable to deposit the \$3,600 in imported seafood safety fee revenues it has thus far collected into the fund. As a result, the Imported Seafood Safety Fund currently has a balance of \$0. While LDH has collected \$3,600 in fee revenues, there are 53 imported seafood permit holders, so future collections may be as high as \$5,300 per year (53 x \$100 annual seafood safety fee).

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

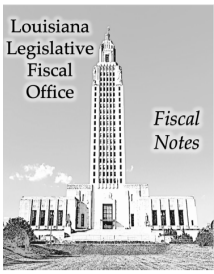
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:
EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

The primary source of increased costs will be DCRT’s reported need for two (2) new positions to implement the requirements of the proposed law. DCRT reports that these positions will perform inspections of seafood processors and distributors, collect samples of seafood for laboratory analysis, issue notices of violations to seafood processors and distributors who violate the proposed law, and investigate complaints of unsanitary conditions at seafood processors and distributor sites. Combined, the two positions are expected to cost \$181,430 in salaries and related benefits in FY 25, with that amount increasing by 6% annually. Additionally, DCRT anticipates costs of \$20,000 per year in travel, supplies, and operating costs, and \$26,665 in FY 25 to purchase a Chevrolet Malibu for use by the employees to travel to seafood processing and distribution sites. Note: It is not clear that the proposed law actually requires DCRT to perform inspections of the seafood processing and distribution sites; however, this fiscal note assumes that these inspections will be performed as reported by DCRT.

LDH reports that it currently contracts with Eurofins Scientific to test one sample per month at a monthly cost of \$356.26, or approximately \$4,275 per year. These costs have thus far exceeded the revenue LDH has collected through the imported seafood safety fee, and LDH reports the fee revenues have been supplemented with SGF from the LDH budget. These costs will no longer be incurred once testing responsibility has been transferred to DCRT and LDAF.

LDAF reports that it currently has sufficient staff and equipment to conduct seafood testing at its agricultural chemistry laboratory. The cost of supplies to conduct seafood testing will depend upon the number of samples tested. Costs per sample will be significantly higher than current LDH testing costs, as LDAF plans to conduct a much more comprehensive battery of tests than is currently done by LDH’s contractor Eurofins. When excluding labor costs, LDAF reports that the cost of testing a seafood sample is \$1,290.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


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